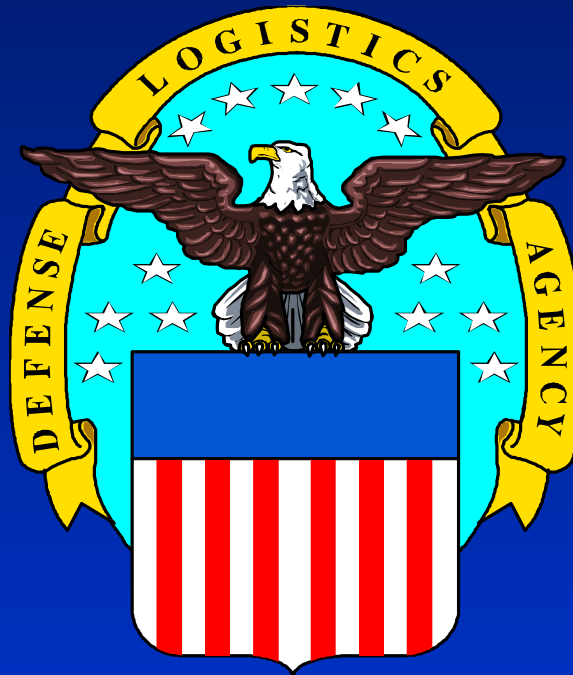


DCMC OVERHEAD CENTER REORGANIZATION

“Leveraging Command Resources”



Presented by
Ron Youngs
DCMDW



DCMC OVERHEAD CENTER REORGANIZATION

- DCMC Overhead Center of Excellence originally established and chartered in September 1994 as DLA/AQOK
- Overhead Center of Excellence mission included:
 - Researching precedent setting issues
 - Providing source of expertise for DCMC contract negotiators
 - Conducting National Boards of Review
 - Determining Overhead trends
 - Performing “should cost” reviews



OVERHEAD CENTER REORGANIZATION

- Reorganization effort initiated per CC's request in early '96
- Commander's guidance:
 - Leverage command overhead resources and focus on providing support to DCMC field organizations and personnel
 - Maintain resident overhead expertise at DCMC headquarters while establishing new overhead center as a "field organization"
 - Establish clean and simple lines of communication, command, and control



Organization and Manpower

(Concept as approved by DCMC/CC)

Original

AQO

AQOK

Chief (15)

Secretary

14

14

14

14

14

DCEs (14)

CIPR Teams

ADPE Teams

New

AQO

AQOC

DCMC-OHC

Chief (0-5)

Secretary

14 **14**

14 **14**

14 **14**

14 **13**

13

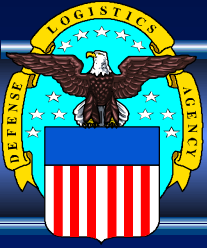
DCEs (14)

CIPR Teams



OVERHEAD CENTER WORKLOAD

- Final Overhead Backlog
 - DoD Target is “2 year average” and a 24 month process - included in the DCMC Business Plan
 - DCMC now has >2100 yrs - target is “800”
 - DCAA stepping out - reduced audit backlog by 25%
 - DCMC playing catch-up - negotiations backlog up >30% since ‘93 - Ball is in our court - can’t blame overdue proposals or late audits
- CAS Backlog
 - DoD Directive 7640.2 - Contract Audit Reports - Requires resolution/disposition within 12 months
 - DCMC presently faces 389 CAS Audits >12 months old



OVERHEAD CENTER WORKLOAD

- FPRA Emphasis - DCMC Metric is 60% FPRAs
 - Close to target - will soon be revised - some sites w/o FPRAs or FRRs
- Mergers and Acquisition Issues
 - More to come - Significant Congressional Interest
 - Insurance & Pension Issues - Post Retirement Benefit Issues
 - '95 Legislation requires certification of corporate restructuring cost proposals - Complete Proposal, Negotiation, and Audit process - A Major effort (\$Billions)
 - '97 Legislation requires detailed GAO review of "savings"
 - A high visibility, high value effort



OVERHEAD CENTER WORKLOAD

- Establish Overhead “Hot-Line”
 - Source of guidance and assistance to the field
 - High profile issues - changes every day
- Should Cost Reviews - Source of DCMC expertise
- National Boards of Review - Average - 6 per month
 - Precedent setting issues
- DCE and CACO coordination
 - Emerging issues - Consistent guidance
- CIPR Team Coordination
- Education - Maintain and build upon Command’s resource